

What is the Money Market Fund?

The Money Market Fund is a pooled fund for the investor who prefers low risk investments. It has rates that are competitive and consistently higher than savings rates. The MMF is secure, as its investments are mainly in Government of Jamaica securities such as variable and fixed rate notes. The fund has a tax-free feature, whereby investors are exempt from paying withholding tax, once the investment is declared as Long-term Savings Accounts (LSAs), which operate under the following conditions:

- Maximum Deposit of J\$1,000,000 annually
- A maximum of 75% of the interest can be withdrawn prior to the maturity date
- Funds must be invested for five years

Outlook

The Bank of Jamaica (BOJ) recently increased its main policy rate to 5.5% as it sought to reduce inflation to its target range of 4% to 6%. The point-to-point inflation for May was 10.9% which is lower than the print for April which was 11.8%. The BOJ indicated that inflation was likely to remain elevated for the remainder of the calendar year. Consequently, local interest rates have begun to inch higher with mortgages and car loans increasing over recent months. Loans and corporate paper have also moved higher, though with shorter tenors or fixed to float features. The Money Market Fund is in a good position to take advantage of the higher interest rate environment, as in excess of 30% of its investments are slated to mature within 12 months and will subsequently cycle into these higher yielding securities; which will improve the yield and the return to investors. The BOJ 30-day CD has come back with yields above 8% p.a. (compared to 6% a few months ago) which is significant and signals the potential for higher interest rates in the near-term.

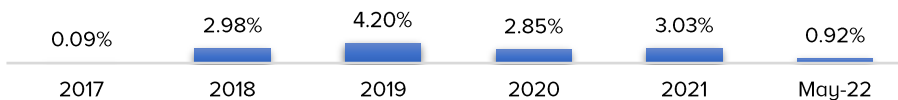
The economy continues to recover from the Covid 19 Pandemic and the ease of restrictions will likely increase the pace of recovery (though there still remain Covid risks).

The investment strategy going forward is to opportunistically continue:

- Participate in appropriately priced Corporate Debt Securities, with longer tenors
- Increasingly participate in Government Offers to improve the liquidity of the fund (increasingly looking for longer tenors)
- Trade opportunistically in US\$ assets as the Jamaican dollar continues to exhibit volatility in the band of J\$155 to J\$160.

10-year average annual return	5-year average annual return	3-year average annual return	2021 return
4%	3%	3%	3%

Money Market Fund 5-Year Historical Performance



Asset Allocation



- Corporate Fixed Income Securities - 57%
- Government Fixed Income Securities - 23%
- Money Market Securities - 15%
- Non Redeemable preference shares - 5%

Management fee: The Managers may receive a maximum of 3% on the equivalent of fifty million US Dollars (US\$ 50M) and two and a half (2 1/2) percent on the remainder of the deposited Property.

Special Tax Advantages: The income received by way of interests and dividends by the Trustee is received without deduction of tax. Unit holders pay no transfer or Capital Gains tax on sale on their return.

Portfolio Information

Inception Date	March 25, 1996
Asset Class	Fixed Income
Net Asset Value	J\$ 2.32 Billion
Sales Charge	None
Minimum Purchase	100 Units

Trustee

JCSD Trustee Services Limited

Asset Security

Under the Trust Deed, the investments and cash must be registered in the name of and held by the Trustee on behalf of the unit holders. This means that investors monies are 100% segregated from Barita as well as JCSD Trustee Services Limited

Fund Manager

Barita Unit Trust Management Co. Ltd.

Values May 31, 2022

Price	J\$15.3648
Yield	2.41%
Year to Date Return	0.92%
12 Month Growth Rate	2.29%

Risk Profile



LOW

Scan below for your Investment Profile



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